

Message Text

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ORIGIN PM-03

INFO OCT-01 EUR-12 ISO-00 DODE-00 TRSE-00 L-02 AID-05

CIAE-00 INR-05 NSAE-00 RSC-01 EB-04 COME-00 IGA-01

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DRAFTED BY DOD/DSAA-RBETTELEY:PM/SAS-RWSMITH:DD

APPROVED BY PM/SAS-JFLADD

EUR - MR. GEORGE

TREASURY - MR. NENSEL (SUBS)

----- 128266

P R 152309Z NOV 74

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS PRIORITY

INFO USCINCEUR

C O N F I D E N T I A L STATE 252927

E.O. 11652: GDS

TAGS: MASS, GR

SUBJECT:FMS CREDIT ASSISTANCE FOR GREECE, FY 1975

REFERENCE: (A) CJUSMAG ATHENS 271105Z SEPT 1974

(B) CJUSMAG ATHENS 181320Z OCT 1974

IC) SECDEF MSG 221242Z OCT 1974

1. TO ENABLE THE GOG TO MEET ITS FINANCIAL OBLIGATIONS FOR FIRST AND SECOND QUARTERS FY 75 FOR ITS PROCUREMENT OF A-7, T-2 AND C-130 AIRCRAFT, THE USG HAS APPROVED AND IS NOW PREPARED TO OFFER THE GOG FIRST INCREMENT OF FY 75 FMS CREDIT ASSISTANCE IN AMOUNT OF 23 MILLION DOLLARS, UTILIZING CONTINUING RESOLUTION AUTHORITY.

2. THIS 23 MILLION DOLLAR CREDIT WILL BE PROVIDED AS FMS DIRECT CREDIT UNDER FOLLOWING CONDITIONS: TERM OF LOAN WILL BE 10 YEARS INCLUDING TWO-YEAR GRACE PERIOD FOR REPAYMENT OF PRINCIPAL; PRINCIPAL TO BE REPAYABLE IN 16 SEMI-ANNUAL
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INSTALLMENTS OF \$1.4375 MILLION EACH COMMENCING JANUARY

1977; INTEREST RATE WILL BE AT COST OF MONEY TO THE USG
AS OF DATE AGREEMENT IS SIGNED (8 FOR MONTH OF NOVEMBER);
INTEREST WILL BE PAYABLE EACH JANUARY 1 AND JULY 1 COM-
MENCING JANUARY 1, 1975, ON AMOUNT BY WHICH CUMULATIVE DIS-
BURSEMENTS EXCEED CUMULATIVE REPAYMENTS OF PRINCIPAL; DIS-
BURSEMENT PERIOD OF AGREEMENT CEASES TWO YEARS FROM SIGNA-

TURE.

3. REQUEST EMBASSY PRESENT ABOVE PROPOSAL TO GOG. IF
ACCEPTABLE, YOU SHOULD REQUEST GOG TO AUTHORIZE, AS SOON
AS POSSIBLE, APPROPRIATE OFFICIAL OF GREEK EMBASSY TO SIGN
CREDIT AGREEMENT IN WASHINGTON. PLEASE ADVISE GOG
INTENTIONS.

4. WHEN NOTIFYING GOG OF THIS OFFER OF 23 MILLION DOLLARS
FMS DIRECT CREDIT, IT SHOULD BE MADE CLEAR THAT ANY ADDI-
TIONAL FY 1975 FMS CREDIT MAY HAVE TO BE OFFERED IN THE
FORM OF USG-GUARANTEED COMMERCIAL CREDIT ONLY. FYI: THE
RATIO OF FMS DIRECT CREDIT, IF ANY, AND USG-GUARANTEED
COMMERCIAL CREDIT WILL DEPEND ON CONGRESSIONAL ACTION ON
FY 75 LEGISLATIVE REQUEST AND ON GLOBAL REQUIREMENTS. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, SURPLUS MILITARY EQUIPMENT SALES, DEBT REPAYMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE252927
Document Source: CORE
Document Unique ID: 00
Drafter: RBETTELEY:PM/SAS-RWSMITH:DD
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740331-0296
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741138/aaaabfvt.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) CJUSMAG ATHENS 271105Z SEPT 1974
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 15 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 MAY 2002 by martinml>; APPROVED <20 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MS CREDIT ASSISTANCE FOR GREECE, FY 1975
TAGS: MASS, GR
To: ATHENS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005